

Message Text

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ACTION SS-25

INFO OCT-01 ADP-00 /026 W

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P R 151519 Z MAY 73

FM AMEMBASSY TRIPOLI

TO SECSTATE WASHDC PRIORITY 0079

INFO AMEMBASSY TUNIS

C O N F I D E N T I A L TRIPOLI 0646

EXDIS

E. O. 11652: GDS

TAGS: ENRG, LY

SUBJECT: LIBYAN PARTICIPATION ULTIMATUM

REF: STATE 089625; TRIPOLI 0623

1. HAVE HEARD THAT HIGH LEVEL MEETINGS BEING HELD ON THIS SUBJECT AND SPECIFICALLY ON HOW USG AND MAJORS MIGHT STIFFEN BACKS OF MINORS HERE WHO OTHERWISE LIKELY CAPITULATE. IF TRUE WE ARE NOT SURPRISED, AS MINORS (E. G. AMERADA) HAVE AS MUCH AS TOLD US THEY HAVE TO SETTLE WITH LARG TO SURVIVE.

2. HAVE NOT HAD, NOR DO HAVE, MUCH TIME TO DEVOTE THIS SITUATION, BUT IT HAS BEEN FOLLOWED FAIRLY CLOSELY BY COUNTRY TEAM AS MARTHINSEN CAN REPORT. AT THIS POINT, SUPPOSE I MIGHT COMMENT ON POLITICAL CONTEXT OF UPCOMING DEADLINES FOR COMPANIES:

A. LAR IS NOT REPEAT NOT GOING TO NATIONALIZE THE THREE COMPANIES FACING DEADLINES THIS WEEK UNLESS THEY DO SOMETHING VERY STUPID BY WAY OF THEIR REPLIES DUE TO PETROLEUM MIN MABRUK. WHEN LARG NATIONALIZES, IT SUDDENLY ANNOUNCES FAIT ACCOMPLI. IN THIS CASE, LARG IS ONLY BRUITING ABOUT, PRETTY VAGUELY, THE THREAT OF NATIONALIZATION. (VENEZUELAN AMB BARRADAS REPORTS MABRUK IN REVIEWING SITUATION WITH HIM MAY 12
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DID NOT ONCE USE WORD " NATIONALIZATION", ONLY SUCH PHRASES AS " FULL CONTROL", " THIS IS IT", " WE ARE GOING FULL STEAM AHEAD". BARRADAS IS NOT COMPLETELY RELIABLE, BUT I BELIEVE HIM ON THIS ONE.)

B. QADHAFI WAS OBVIOUSLY LEAVING DOORS OPEN THE WAY HE FIELDLED THE NUMEROUS QUESTIONS HE RECEIVED FROM FOREIGN NEWSMEN ON THIS SUBJECT MAY 13. SEE FBIS M-131923 AD PASSIM.

C. IN THE LAR, DEADLINES FOR THE COMPANIES TO " COME UP WITH SOMETHING, OR ELSE" ALMOST INVARIABLY DISSIPATE AND FLOAT AWAY UNDER THE DOOR.

D. THIS DOES NOT MEAN A NEW DISPENSATION IS NOT DEMANDED OR INDEED URGENT. BELIEVE RCC HAS NOT ONLY DECIDED ON GETTING THE THREE PRINCIPAL DEMANDS, BUT GETTING THEM SOON -- WELL BEFORE JULY- AUGUST AND THE EXPECTED PREOCCUPATIONS WITH MERGER WITH EGYPT. WOULD GUESS MAY 21 DEADLINE IS FOR AGREEMENT IN PRINCIPLE, AND WILL BE EXTENDED FOR ANY DETAILED AGREEMENT THAT MAY BE IN SIGHT BY THEM.

E. CANNOT STRESS TOO STRONGLY THAT RCC GOAL IS SOMETHING MORE THAN 50 PERCENT OWNERSHIP AND THAT INDUSTRY WILL HAVE TO COME UP WITH SOMETHING THAT AT LEAST LOOKS LIKE A HIGHER PERCENTAGE EITHER IN TERMS OF OWNERSHIP OR CONTROL -- OR BOTH. HOWEVER, BELIEVE RCC WOULD PAY A HIGH " PRICE" FOR EVEN A COSMETIC HIGHER PERCENTAGE.

F. TIME HAS COME THEREFORE FOR COMPANIES TO BE IMAGINATIVE AS WELL AS UNITED AND FIRM. THEIR CURRENT MAIN AIM, ACCESS TO OIL, IS RECONCILABLE TO RCC'S MAIN AIM -- SOMETHING THAT LOOKS LIKE 100 PER CENT CONTROL, EVENIF IT IS NOT IN FACT.

G. I SPELLED OUT THESE BASICS, IN GREATER DETAIL, TO SHAFER ON MARCH 13 AND REPORTED THEM FULLY TO GORDON BROWN MARCH 15 BY OFFICIAL- INFORMAL LETTER. HAVE RECEIVED NO REPLY, BUT ASSUME IT NOT FORGOTTEN.
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3. SUGGEST STATE REFTEL AND OTHERS THIS SUBJECT BE SENT TUNIS FOR COUNTRYMAN. BELIEVE HE SHOULD FEEL FREE TO COMMENT ON BASIS HIS DEEP KNOWLEDGE AND RECENT EXPERIENCE OIL SITUATION HERE.
JOSIF

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